

The Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS) programs are called “campus-based” programs because each school is responsible for administering them on its own campus. This volume gives guidance on issues specific to the administration of the campus-based programs.

FEDERAL PERKINS LOAN PROGRAM

The Federal Perkins Loan Program includes Federal Perkins Loans, National Direct Student Loans (NDSLs), and National Defense Student Loans (Defense Loans). No new Defense Loans were made after July 1, 1972, but a few are still in repayment. Perkins Loans and NDSLs are low interest (currently 5%), long-term loans made through school financial aid offices to help needy undergraduate and graduate students pay for postsecondary education.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

The purpose of the Federal Supplemental Educational Opportunity Grant (FSEOG) Program is to encourage schools to provide grants to exceptionally needy undergraduate students to help pay for postsecondary education. This provision is in Section 413C(c)(2) of the Higher Education Act of 1965, as amended. Giving priority to applicants with exceptional financial need, schools selecting FSEOG recipients must use the selection criteria discussed in Chapter 2 of this volume.

FEDERAL WORK-STUDY PROGRAM (FWS)

Through the FWS Program, undergraduate and graduate students work part time to help pay for the cost of their education. Schools must use 7% of their FWS Program funds to compensate students employed in community service jobs.

RECENT CHANGES

Organization Changes

For 2005-2006, the campus-based volumes of the FSA Handbook retains the process-centric organization that was first introduced in the 2004-2005 FSA Student Aid Handbook. This includes a

unification of the campus-based programs volumes of 2003-2004 and previous years.

Chapter 1 of Volume 6, Campus-Based Programs, covers fiscal procedures and administrative requirements such as the FISAP, allocation and transfer of funds, federal/nonfederal share, and recordkeeping.

Chapter 2 discusses the operation of FWS programs, including community service jobs, Job Location and Development programs, and Work Colleges.

Chapter 3 covers making Perkins loans, in particular disclosures to students, the new Master Promissory Note, and a Q&A section on the MPN.

Chapter 4 discusses what happens after a Perkins loan is made. Repayment, Forbearance, Deferment, and Cancellation are covered in detail.

Chapter 5 covers procedures for Perkins loan collection and default.

For more information about where to find campus-based sections, see the introductory text at the beginning of each chapter of this volume.

Guidance Changes/Updates

- Addition of chapter highlights boxes at the beginning of each chapter for easy reference to important topics.
 - Chapter 3, *Making Perkins Loans*, has been updated to reflect the fact that schools are now required to exclusively use the Perkins Master Promissory Note when awarding Perkins Loans.
- p. 6-18: amended prom note guidance to reflect ability of schools to notify the borrower in writing in lieu of sending the original prom note when loan is paid off.
- p. 6-24: added guidance on carrying out Perkins Loan liquidation.
- p. 6-93: updated Perkins Loan guidance on military service cancellations, clarifying the requirements of months and years of military service for Perkins Loan cancellation purposes.
- p. 6-115: Clarified acceptable Perkins Loan rehabilitation parameters.